Resource Management

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Resource Management

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A Message from the Assistant Secretary of the Army
(Financial Management and Comptroller)

The Honorable Valerie L. Baldwin

Remarks from the Planning and Programming Conference

January, 2005

Wow…it's probably an understatement to share with you that the last six weeks have been interesting. I'm reminded of a movie called "All About Eve." Maybe some of you movie buffs have seen it. Bette Davis delivers one of the greatest lines of showbiz history in that movie. And, if recent history is an indication of the future, then her singular line, "Hang on boys, it's gonna be a bumpy ride," may apply throughout this budget cycle as the FY 06 budget and FY 05 supplemental requests wend their way through the Congress.

As heralded during the campaign and reported in yesterday's Washington Post, the President plans to tackle deficit spending, and is preparing a budget request that freezes most spending in non-defense discretionary programs like [agriculture], housing, science and [Veterans' Affairs]. And, as widely reported in the news media and internet, growth in DoD's top line is not as high as expected—only $19 billion.

Many of you may ask: "Why would DoD be subject to a cutback while the nation is at war?" The answer, in my opinion, is that by slowing growth in defense, the President sends a very strong signal that he is committed to deficit reduction. As a consequence, our path becomes fairly straight.

The decision to slow growth in defense spending created some awkwardness for us because, by then, we were well into the PBD process. DoD and each service component had to review their respective budget submissions and POMs to find the reductions required across the program. To continue the analogy to the movie I mentioned earlier, our routine flight encountered bad weather and became turbulent. Indeed, a National Public Radio talk show host recently entertained a guest who suggested that the process had the same effect as the QDR.

As you know from the press, everything was put on the table: F-22, FCS, amphibious combat ships, carrier battle groups and modularity—everything. While I can't release numbers, I expect the Army's top line to decrease slightly below the enacted level in FY 05 and to grow in the outyears.

In addition, supplemental requests continue to support the war and, this year, modularity. This means supplemental appropriations are vital to the Army because the base budget does not support the war or the continued stand-up of new modular brigades. My biggest fear is that we'll rest on our laurels. As many of you know, I spent the last eight years working on the House Appropriations Committee. In that life, I occasionally lectured the administration that "While the President proposes, the Congress disposes." During the next eight to 10 months, I plan to repeat this phrase to myself as a reminder to ask: Is there anything I can do today in the U.S. Congress to be a better advocate for the Army's budget? Everyone needs to pitch in, and we'll be counting on you this year.

So here we are: The constrained budgets we've known would eventually come are here early, and these constraints and their associated pressures will continue for the foreseeable future unless the operational environment changes. You could look at this situation as the glass being half empty. I prefer seeing it as a glass half full, and that we should use this impetus to change some of our business practices and to find different paradigms—generally to do things better.

As most of you know, I've been in the FM&C job for only six months, but it's clear to me that we must get ahead of the proverbial curve of when supplemental funding disappears entirely. In that vein, I'd like to share with you three strategic priorities I have for the financial management

community, and how they fit into what the Secretary of the Army and the Chief describe as business transformation.

As you've heard, Secretary Harvey plans to develop improved operating concepts and business processes, to change organizational structures and, most importantly, to develop leaders, people and a culture that are relevant to the future.

For FM&C, the obvious place to start the review is by getting a better understanding of our unfunded requirements. Routinely, the Army carries a list of UFRs that totals between $20 [billion] and $25 billion per year over the FYDP. I've asked how

of unfunded requirements might help steer our energies and those of OSD, OMB and the Congress toward resolving the most vital of our needs.

So, what should be the UFR litmus test? Per the Chief of Staff and the Secretary, the Army's two overarching priorities are: providing the combatant commanders the forces needed to win the Global War on Terrorism and transforming both how we fight and how we do business. Any unfunded requirement that doesn't contribute in a strong, positive way to either mission should be questioned, and possibly be removed from the list. And, just

data across multiple business domains. This level of integration carries multiple benefits. For example, it facilitates our ability to track equipment —where it is and whether it is needed for imminent or future deployments—as well as pertinent statistics, such as how many Soldiers are on medical hold at any given time, how long they've been on hold and why, and what this status costs the Army. With regard to installation and housing management, the financial community gains visibility of the value of our real property assets, providing that extra edge when we negotiate deals with the private sector. Similarly, activity-

> *During the next 8–10 months, I plan to repeat this phrase to myself as a reminder to ask, Is there anything I can do today in the U.S. Congress to be a better advocate for the Army's budget. Everyone needs to pitch in…and we'll be counting on you this year.*

validated, critical requirements can remain on this list year after year without funding. The staff did some analysis for me and what they found is worth exploration. The fact is that 80 percent of our stated UFRs never get satisfied. If such a high proportion of validated requirements remains unfunded —and the Army accomplishes its assigned missions—are the requirements truly critical? Likewise, should some funded programs be replaced by those "critical" priorities on the UFR list? Knowing the statistics, I've asked myself whether the time and effort we expend debating the UFRs are truly constructive. Could we contribute more to the coffers of the Army if we spent that time managing the resources we have and identifying ways to transform our business processes so that they cost less?

The other issue is this: If the Army can't prove our requirements are prioritized properly, why shouldn't our board of directors—OSD, OMB and the Congress — question them. The longer the list of UFRs, the greater the difficulty we have focusing on the truly important requirements, and the greater the chance that any additional funding we receive is applied to the wrong priorities. A smaller, more meaningful list

to give you a little forewarning, FM&C and the G-8 are working together on methods that could reshape the Army requirements validation process. It is my goal to take on this challenge and to take it on soon.

Next topic: Everyone in the Army needs access to top-quality information. I believe my second strategic priority addresses this need, which is to deploy the General Fund Enterprise Business System. For those of you who haven't heard about GFEBS, it is an accounting system that accepts business information generated by the Army's multiple businesses and generates a general fund ledger. GFEBS replaces outdated, 1970s technology with a financial management system that offers complete, reliable, timely and consistent information. In just its initial stage, GFEBS should eliminate several financial management material weaknesses and put the Army on a glidepath that leads to auditable financial statements.

But GFEBS is not just a financial management tool. It integrates the Army's budget with information regarding logistics, personnel and the acquisition of equipment, as well as our property, plant and materiel inventories. Through GFEBS we should be able to access enterprise-wide

based costing and cost management can be accommodated into GFEBS implementation and its integration capabilities—processes which provide a true picture of what a task/ item costs.

Consequently, the single-dimensional focus on total obligation authority becomes a process of the past. Instead, using the information we pull from GFEBS, we can begin to manage all resources throughout the enterprise—be they financial, property, plant, equipment or personnel—in a multi-dimensional fashion.

Implementing GFEBS will not be easy. It will take buy-in from everyone in the Army, as well as from OSD and the Congress. As we begin the process of explaining GFEBS and what it means to you as a resource manager, I ask that you keep an open mind. Its success depends on your involvement.

My third priority contains two related pieces: to strengthen the Army's ability to use financial performance information in an analytical way that better supports senior decision-makers; and to improve our stewardship of Army resources. My job title has two pieces: financial management and comptroller. Everyone is familiar with the former, but I want

to give the latter a lot more attention. I looked up comptroller in the dictionary and it gave me two definitions: "One who controls—a controller, not an observer of events"; and "an officer who audits accounts and supervises the financial affairs of a corporation or of a governmental body." These are critical duties and I plan to reinvigorate the Army's comptroller function. I envision an executive, supported by systems such as GFEBS, who would be responsible for improving our financial-performance reporting and for strengthening the financial and management controls that are essential to effective stewardship. With shrinking budgets ahead of us, I cannot emphasize sufficiently the importance of monitoring performance and instituting controls for the purpose of assuring that our precious resources are being used as intended.

While on the topic of watching our resources, I'd like to make a pitch for your help now. Business reengineering mandates outlined in a recent program budget decision instruct the Army to find within our existing top line at least $2.3 billion in FY-06, '07 and '08 that can be redirected to the modularity program. This is a tall order and I ask all of you to look hard into your functional areas and organizations to see where a business-process reengineering effort could garner savings for the Army. Each command has to find its appropriate share of the $2.3 billion and, as was suggested earlier this week, Lean and Six Sigma methodologies focused on continuous measurable improvement will make this possible. We'll provide training to you to help. In the meantime, submit any suggestions to the Business Initiatives Council or to the G-8 as soon possible so that we can fulfill this directive for FY-06.

I'd like to wrap up this morning by leaving you with a few questions to ponder. Let me run through them quickly.

1. Over the last three POM submissions, what percentage of Army programs was resourced at more than 90 percent of their "validated requirements?" Answer: 17 percent.

2. Over the last three POM submissions, what percentage of Army programs was resourced at less than 40 percent of their "validated requirements?" Answer: 14 percent.

3. For MILPERS funding, is there any control placed on grade mix throughout the uniformed force?

4. Should civilian full-time manning be based on manpower-to-task analysis?

5. Do we assess whether we're getting full value for our service contracts, and have we compared the costs of the services rendered against the private sector?

6. Were we ever capable of assigning a T-1 rating to the majority of the force without budgeting/programming for 800 tank miles and 14.5 flying hours per crew per month?

7. Can you name or describe three metrics to determine the output of service per the $8 billion of funding applied to SRM?

8. Is any of our science and technology efforts duplicated in the commercial sector or another service or government agency?

9. Is the percentage of married soldiers in the force increasing or decreasing?

10. How many tactical wheeled vehicles must be procured over FY07-11 to put the force at S-1?

11. Can we control rising health care costs? Are we willing to raise premiums and co-pays to ensure DHP solvency?

12. Do you know the book and market values of the Army's capital assets?

13. Who is responsible for cost, schedule and performance within the Army's investment accounts?

14. Can Army overhead costs be identified or calculated?

15. How many travel cards and purchase cards are extant in the Army today? How many cell phones and Blackberries?

16. Does the Army or should the Army have unit-price controls?

17. How many programs currently in development are behind schedule?

18. Is the technical guidance memorandum a suitable control document?

19. List the top four Army cost drivers.

20. Over the last 10 years, how many times has the Army top line been increased at the end of the POM/BES review period?

These questions all circle back to the three strategic priorities I laid out. The answers—or the lack thereof—could provide a starting place for business transformation. We need to think about that. If we don't explore some of these questions, we are doing the Army and the taxpayer a disservice. I am confident that we can do better.

There are people who say: "The institutional Army is just too big and too tradition-bound to change." I don't buy it. Since I've been here, I have been awestruck at the level of commitment to Soldiers demonstrated daily by civilians and the Army staff here at headquarters and out in the field. You all work long, hard days—without complaint—to ensure that we get the maximum resources we can. You turn out phenomenal analyses. Multiple directorates come together to make sure our people have what they need when they go into harm's way. As the FM&C, I'm grateful every day for your hard work and loyalty. So, I know we can contribute to Dr. Harvey's vision of business transformation. If we can fight a war in two areas and simultaneously transform the operational Army, we definitely can transform the institutional Army and our financial practices and systems.

So I urge you to consider this reform a challenge. I promise to approach it carefully and with the proper amount of respect. But, there is no doubt that we should take on reform—and take it on with gusto—because it is the right thing to do. With your expertise, in-depth knowledge and commitment to serving the Soldier and his or her family, I have no doubt we'll meet the objective.

Fiscal Year 2004 Army Resource Management Award Winners

Congratulations to this year's winners!!!

The reviewing panels have met and the Assistant Secretary of the Army (Financial Management and Comptroller) has approved the selections for this year's Resource Management (RM) Awards. The recipients are:

Capstone Awards

ASA (FM&C)
Civilian Award
Ms. Jeanne M. Karstens
G8 Comptroller
USAREUR

ASA (FM&C)
Military Award
COL Phillip McGhee
DCS, Comptroller
USASOC

Functional
Chief Representative
Special Award
Ms. Wilma Y. Solivan
Intern Program Coordinator
AMC

For those who don't know, the RM Annual Awards Program is sponsored by the ASA (FM&C) and is designed to recognize and encourage outstanding performance of individuals, teams, and organizations throughout the Army. Open to both military Soldiers and civilian employees, the RM awards are an excellent opportunity to recognize the "best of the best" in the Army's resource management community.

Assistant Secretary Of the Army (FM&C) Civilian Award

The ASA (FM&C) Civilian Award recognizes the top civilian Army employee serving in a leadership capacity that the Assistant Secretary personally cites for outstanding contributions to the field of resource management. This year's ASA (FM&C) Civilian Award is awarded to Ms. Jeanne Karstens. Ms. Karstens led the effort to identify funding requirements and to integrate budget and program considerations for USAREUR's Transformation efforts supporting the Integrated Global Presence and Basing Strategy (IGPBS) for Europe, based on the Strategic Planning Guidance and Joint Programming Guidance. These efforts provided the basis for the funding aspects of the European Command's discussions with the Secretary of Defense as well as the Army's POM strategy. Within the USAREUR G8 organization, she has emphasized a climate of continuous learning and mobility that maximized human capital and reorganized the G8 to better support the strategic direction of the US Army in Europe.

Assistant Secretary Of the Army (FM&C) Military Award

The ASA (FM&C) Military Award recognizes the top military Soldier serving in a leadership capacity that the Assistant Secretary personally cites for outstanding contributions to the field of resource management. This year's ASA(FM&C) Military Award is awarded to COL Phillip McGhee. COL McGhee demonstrated exceptional resource management and leadership skills as the Deputy Chief of Staff, Comptroller of USASOC, the Army component for the United States Special Operations Command. COL McGhee spearheaded the effort to resource 100% of the FY04 war fighting requirements, along with critical and essential command must fund items, enabling Army Special Operations Forces to successfully prosecute unconventional operations in the Global War on Terrorism. In doing so, he artfully guided his staff in identifying resource requirements, determining the appropriate source of funding (USSOCOM, DA, etc), and ensuring visibility of validated requirements within applicable resource processes. In all he was responsible for securing over $2B for the purpose of equipping, modernizing, training, sustaining, and reconstituting war fighters who were preparing, executing, and recovering from the fight.

2004 Awards

Functional Chief Representative (FCR) Special Award

The FCR Special Award recognizes the top civilian Army employee serving in a leadership capacity that the Principal Deputy to the Assistant Secretary of the Army (FM&C), serving as the CP-11 FCR, personally cites for outstanding contributions to the Comptroller Civilian Career Program (CP-11). This year's FCR Special Award is awarded to Ms. Wilma Solivan. Ms. Solivan's exceptional leadership qualities and outstanding efforts have greatly contributed to the success of the Communications and Electronics Command (CECOM) and the US Army's mission in fiscal year 2004. Ms. Solivan's leadership and ingenuity led to the successful negotiation of six financial management-training contracts with the USDA Graduate School. Her efforts also led to successful negotiations with the Army Judge Advocate School to bring the Fiscal Law course to Fort Monmouth. She orchestrated the development of the Comptroller Army Material Command Fellows Program On the Job Training (OJT) Plan and managed the CECOM comptroller intern program for CP 11.

Outstanding Resource Management Organization Award

(Above MACOM) **FORSCOM G8**–In FY04, FORSCOM deployed over 2300 active and reserve component units, 230,000 Soldiers and 1.2 million short tons to Iraq, Afghanistan, Haiti, Kosovo, Bosnia, Horn of Africa, Cuba, and Hurricane relief support. The agility of FORSCOM allowed both the Command and the Army to provide the funding needed to meet the expectations and needs of those in the field. As FORSCOM G8 had to balance the competing demands of Modularity conversion, unit deployments, GWOT sustainment, Operations in Haiti, and Homeland Defense missions in support of NORTHCOM, a premium was put on agility, partnership and constant improvement. A review of G8's performance in FY04 shows it was not only successful but committed to securing the resources necessary and providing the professional stewardship services to enable mission success.

Organization Leader: Ms. Vicky L. Jefferis

(Below MACOM) **1st Armored Division G8, USAREUR**–The 1st AD G8 provided world-class resource management support to the 53,000 US and coalition forces assigned or operating in Task Force 1st AD's combat area of operation in Baghdad, Iraq. In spite of the broad scope and immediate nature of every requirement, this extremely lean but exceptionally dedicated core of civilian and military professionals maintained its intensity and mission focus to complete a tremendous volume of requirements each and every day while deployed in support of Operation Iraqi Freedom. This Herculean effort resulted in consistent and proactive funding for the task force with every mission robustly supported and Soldiers well taken care of.

Organization Members: LTC Milton Sawyers; Ms. Yolanda Wiley; Ms. Shannon Devera; Ms. Nancy Lindsay; SGT Kevin Leinster; SGT Joshua Hunter; SGT Donelle Scott; SGT Michael McCue; MAJ Stephen Carroll; and CPT Harry Hill

Outstanding Resource Management Team Award

(**Above MACOM**) **Industrial Operations Division, SAFM-BUR-D, HQDA**–The Army Working Capital Fund (AWCF) FY06-07 Budget Estimate Submission (BES) represents the culmination of a months-long effort to change the way we budget for depot-level maintenance, production of munitions and a wide array of defense-related materiel, and ammunition storage functions within government-owned and operated depots, arsenals, and ammunition plants. Team members realized there were numerous benefits associated with consolidation. Team members took the initiative and articulated these benefits to various stakeholders including OUSD(C) and Congressional staffs and drafted a new AWCF charter for the Industrial Operations activity group. This effort will be continued in the future as this approach promotes better HQDA understanding of the budget and installation operations and eliminates rework when the budget arrives at HQDA due to invalid assumptions or miscommunication.

Team Leader: Mr. Arthur Hagler

Team Members: Ms. Donna Torche; Mr. Michael Watson; Mr. Robert Hannahan; and Mr. James Fasano

(Below MACOM) **Pittsburgh District Reduction in Force Team, USACE** –In FY04, Pittsburgh District received an unanticipated shortfall of workload and, with insufficient funds for annual payroll, emergency plans were put into place to conduct a substantial Reduction in Force (RIF) and to restructure the district's organization to be effective and efficient at a significantly smaller size. The Pittsburgh Team realistically projected RIF costs and set the district's overhead rates and Effective Labor Rate to accommodate the additional burden of these costs. As the fiscal year progressed the team monitored actual expenses and income and adjusted rates to gradually minimize impact. Through untold hours of work, professional skill, dedication and enormous caring, the Pittsburgh Team reduced the potentially disastrous impacts to people, organization and mission while conducting a RIF.

Team Leader: Mr. Frank Likar

Team Members: Ms. Devorah Waesch; Mr. Mark Catullo

Civilian Individual Awards

Accounting and Finance

(Above MACOM) **Mr. Kenneth Holderfield, FORSCOM**–Mr. Holderfield is recognized as the Forces Command expert on supply/financial interface systems. The Forces Command G-4 and G-8, and subordinate staffs, as well as the Headquarters Department of the Army staff, rely heavily on Mr. Holderfield's professional expertise and advice. In 2004, Mr. Holderfield led the Forces Command

participation at all supply/financial interface systems working groups and meetings and took the initiative establishing a Forces Command web portal to disseminate large volumes of systems information to the Forces Command units enabling the resource management community to stay abreast of systems development changes.

(Below MACOM) **Mr. Timothy Olson, USACE**–Mr. Olson serves as the Rock Island District Finance and Accounting Officer while performing as the Chief, Finance and Accounting Branch within the Resource Management Office. In addition to his routine duties, Mr. Olson aggressively pursued a group of high profile financial initiatives that simultaneously were thrust upon the district during FY 2004. Successes in these areas included researching, interpreting, coordinating, and satisfying ten Chief Financial Officers' Act issues that were identified as format audit items; acting as temporary district Internal Review (IR) Chief; and coordinating the local and regional financial planning and input to a unique new USACE work management system.

Analysis and Evaluation

(Above MACOM) **Ms. Dolores Gahres, AMC**–Ms. Gahres was directly responsible for the accomplishment of all PPBES requirements for the Army Working Capital Fund (AWCF) Supply Management, Army (SMA) program. To successfully perform these duties and arrive at appropriate management decisions an extensive analysis and evaluation of a multitude of program indicators (such as demands, sales, surcharge, acquisition and repair costs, cash, inventory and obligation authority) was required. The technical competency of Ms. Gahres is a cornerstone of the successful resource management of this large and highly visible Army resource program, not only within the AMC, but also within the entire Army.

(Below MACOM) **Mr. Reyes Typaldos, NETCOM**–As the team leader for the DCS, G8 Budget Support Team, Accounting Branch, Mr. Typaldos was solely responsible for transforming the process used by 40 command-wide budget personnel ($397M program) to transmit and compile commitment transactions from an individual PC mode to a central network drive database. He developed and implemented the systems changes and programs to extract key financial data from a myriad of STANFINS files and create executive and/or analyst level management reports automatically after each daily cycle.

Auditing

(Above MACOM) **Mr. Michael Nicholson, AAA**–Mr. Nicholson added great value to the Resource Management community by identifying, planning, and completing a series of audits that culminated to improve the planning for sustaining weapons systems and more accurately identify and support requirements for sustainment funding. His work resulted in recommendations that will improve management controls over the broad area of sustainment and will clarify and define the responsibilities of project or program managers relative to sustainment funding.

(Below MACOM) **Mr. John Riley, AMC–**Mr. Riley consistently provided outstanding internal review, consulting, and external audit liaison and follow up services and provided excellent support to the Command management control program. He led seven quick reaction reviews and a consulting engagement that dealt with command-level concerns that were very successful. At the same time, Mr. Riley provided the full range of audit liaison services between the Army Audit Agency, CECOM, PEOs for C3T, IEW&S and EIS and the Garrison for 19 AAA audits in an outstanding manner.

2004 Awards

Budgeting

(Above MACOM) **Ms. Maria Pangelinan, HQDA**–During the "stand-up" of the Installation Management Agency (IMA) in fiscal year 2004, Ms. Pangelinan's tremendous expertise proved key to ensuring that over $250M in workload and funding transfers were properly justified and strategically portrayed in a budget justification to the Office of the Secretary of Defense and Congress. Ms. Pangelinan initiated a process for identifying where to assign funds covering force protection activities and designed and presented highly effective training on the program and budget decision process for new Operating Forces personnel.

(Below MACOM) **Ms. Jacqueline Moore, USACE**–Ms. Moore is a senior budget analyst for the Engineer Research and Development Center (ERDC) Resource Management Directorate. She developed a standardized set of budget and execution reports that were extraordinarily comprehensive and informative. She then reviewed and reconciled the output with each individual ERDC activity to confirm agreement on the standard data element totals and make any necessary adjustments. Her strong support made it possible for her customers to accurately formulate and present timely budgets.

Comptroller/Deputy Comptroller

(Above MACOM) **Ms. Jeanne Karstens, USAREUR**–Ms. Karstens led the effort to identify funding requirements and to integrate budget and program considerations for USAREUR's Transformation efforts supporting the Integrated Global Presence and Basing Strategy (IGPBS) for Europe, based on the Strategic Planning Guidance and Joint Programming Guidance. These efforts provided the basis for the funding aspects of the European Command's discussions with the Secretary of Defense as well as

the Army's POM strategy. Within the USAREUR G8 organization, she has emphasized a climate of continuous learning and mobility that maximized human capital and reorganized the G8 to better support the strategic direction of the US Army in Europe. Ms. Karstens was additionally recognized as the ASA(FM&C) Civilian Award winner.

(Below MACOM) **Ms. Yolanda Wiley, USAREUR**–Ms. Wiley volunteered to deploy to Iraq with the 1st Armored Division in support of its over 37,000 assigned personnel. She superbly executed the mission of leading the Resource Management effort to support the Commanders Emergency Response Program (CERP), the Iraqi National Guard and the Facility Protection Service in Baghdad and across a vast and hostile area south of Baghdad. Ms. Wiley was instrumental in helping establish and gain funding for standardized pay, allowance, and benefits for Iraqi security forces personnel. Her efforts helped strengthen the legitimacy of Iraqi Security Forces, the Iraqi Ministry of Finance, and the Iraqi banking system.

Education, Training, and Career Development

(Above MACOM) **Ms. Kathie Sills, USACE**–USACE recognized it had a critical gap in its training in the area of finance and accounting and Ms. Sills was given the important mission to develop a new course to meet these needs. Ms. Sills developed, administered, and managed the Corps-wide Finance and Accounting Course during FY2004. She created the course to teach USACE accountants the "nuts and bolts" of accounting to ensure all new employees had a good foundation to begin their USACE financial management careers. She also personally lectured, facilitated group discussions, and assisted students with practical exercises, employing various innovative instructional methods

and techniques while delivering training in accounting principles.

(Below MACOM) **Ms. Wilma Solivan, AMC**–Ms. Solivan's exceptional leadership qualities and outstanding efforts have greatly contributed to the success of the Communications and Electronics Command (CECOM) and the US Army's mission in fiscal year 2004. Ms. Solivan's leadership and ingenuity led to the successful negotiation of six financial management-training contracts with the USDA Graduate School. Her efforts also led to successful negotiations with the Army Judge Advocate School to bring the Fiscal Law course to Fort Monmouth. She orchestrated the development of the Comptroller Army Material Command Fellows Program On the Job Training (OJT) Plan and managed the CECOM comptroller intern program for CP 11.

Resource Management

(Above MACOM) **Mr. David Atherton, HQDA**–A consummate professional, Mr. Atherton is an expert at reviewing the complex budgetary material that supports highly technical programs. He strives to add value to the Army Budget Office processes by working rapid equipping initiatives, pushing conventional resourcing approaches, and by generating business cases for the Business Initiative Counsel simultaneously. Soldier focused, his drive and determination were critical to the Army's successful procurement of over $1B in Force Protection equipment for our deployed troops. Mr. Atherton is also recognized as the FCR Special Award winner.

(Below MACOM) **Mr. Mark Barkley, AMCOM**–Mr. Barkley shares full responsibility with the Director, Resource Management, as the principal for providing managerial accounting, financial management and personnel resource management and advisory services to the US Army Aviation and Missile Command

(AMCOM). During the past year, he was instrumental in timely and effective formulation, execution, and defense of a $9B multi-appropriation annual budget. Through his exceptional efforts, the RM team provided financial management, force development, management advisory, and managerial accounting of resources, including the optimal distribution of funds and personnel.

Cost Analysis

(Above MACOM) **Ms. Martha Evanoff, HQDA**–Ms. Evanoff's efforts to improve the Army's management of the civilian pay will save the Army as much as $1B annually while generating enhanced management oversight. These savings occur while reducing the cost of management oversight by up to 50% (or about $500K annually). Ms. Evanoff's vision for a better Army drives her to use technology to increase analysis of the costs and enhance management control over a $16B program. Her efforts ensure that OMB and OSD will no longer be able to cut $250M in civilian pay because they perceive the data errors as under execution and opportunities to fund other DoD programs forcing the Army to take funds from other missions to make payroll.

Resource Management in an Acquisition Environment

(Above MACOM) **Ms. Cassandra Zeller, USAREUR**–Ms. Zeller developed two Business Initiative Council proposals. The objectives of the proposals were to seek the enactment of legislation that would enable the participation of coalition partners that otherwise lack the financial means and logistical capability to support US operations and to enhance commanders' ability to engage in cooperative partnerships with international organizations which share the United States' goals in GWOT. The proposals contribute to stewardship of resources while supporting the

national military strategy and represent a tremendous success of resource management in an acquisition environment.

(Below MACOM) **Ms. Aletha DeBiase, AMC**–Ms. DeBiase has led the way for PM Warfighter Information Network–Tactical (WIN-T) in the Resource Management aspects of this new initiative. The cost estimate that she created from the Contractor Rough Order of Magnitude (ROM) was provided to the Army G8. Her efforts directly resulted in continued support of the Joint Tactical Radio System cluster 1 program and no negative funding impacts to the program. Ms. DeBiase's exceptional handling of this unique acquisition process resulted in the PM's budgetary input to support the Networking Data Link functionality, which is critical to the success of the Future Combat System.

Military Individual Awards

Analysis and Evaluation

(Above MACOM) **LTC Bradley Pippin, HQDA**–LTC Pippin was responsible for proper resource programming and balance of the Army's annual $20B Research, Development, and Acquisition resource program, which includes providing independent assessments and recommendations of operational requirements, affordability, acquisition strategies, and program priorities and alternatives; and presenting recommended Army positions to senior Army leadership on key acquisition issues. Also, as the Aviation Program Analyst, he acted as the HQDA staff focal point for all Army Aviation programming issues.

Budgeting

(Above MACOM) **LTC Ryan Kivett, HQDA**–LTC Kivett serves as a Procurement Program Analyst in the Directorate for Program Analysis and Evaluation, HQDA, DCS, G8. He develops and executes oversight responsibility for the Army's largest transformational program, the Future Combat Systems (FCS) totaling more than $25B within the Future Year Defense Program. LTC Kivett serves as the principal Army Staff officer responsible for developing the FCS Program within the Planning, Programming, Budgeting and Execution System (PPBES). His outstanding efforts helped integrate diverse, complex analyses and Senior Army leadership intent and was instrumental in striking a proper balance between capabilities, schedule, and cost while ensuring a technically feasible, affordable, and highly capable program.

(Below MACOM) **CPT Robert Phillips, FORSCOM**–CPT Phillips served as the Chief of Plans and Policy Division for the Multi-National Forces-Iraq (MNF-I). His responsibilities included program management and budget guidance for the Man Portable Air Defense System (MANPADS) Buy-back Program. He managed the Rewards Program and Iraqi National Guard (ING) Program and its $160M operational budget. CPT Phillips monitored the internal and external Iraqi funds execution and coordinated, compiled, and provided policy guidance on resource management operations for all military organizations in theater to include the Iraqi Security Forces.

Comptroller/Deputy Comptroller

(Above MACOM) **COL Phillip McGhee, USASOC**–COL McGhee demonstrated exceptional resource management and leadership skills as the Deputy Chief of Staff, Comptroller of USASOC, the Army component for the United States Special

2004 Awards

Operations Command (USSOCOM). COL McGhee spearheaded the effort to resource 100% of the FY04 war fighting requirements, along with critical and essential command must fund items, enabling Army Special Operations Forces to successfully prosecute unconventional operations in the Global War on Terrorism. In doing so, he artfully guided his staff in identifying resource requirements, determining the appropriate source of funding (USSOCOM, DA, etc), and ensuring visibility of validated requirements within applicable resource processes. In all he was responsible for securing over $2B for the purpose of equipping, modernizing, training, sustaining, and reconstituting war fighters who were preparing, executing, and recovering from the fight. COL McGhee was additionally recognized as the ASA(FM&C) Military Award winner.

(Below MACOM) **COL Vaughn Caudill, SOUTHCOM**–COL Caudill served as the Comptroller, Joint Task Force Guantanamo Bay, Cuba. He was the Joint Task Force Commanding General's watchdog for FY 2004 expenditures, which mounted to $120M. His responsibilities included ensuring that Joint Task Force expenditures were necessary, legal, and appropriate. COL Caudill not only challenged justifications for ill-considered projects, but also relentlessly fostered efforts to improve the Joint Task Force's financial infrastructure. In FY04, COL Caudill's efforts saved the Joint Task Force more than $2M in minor construction cost. Exceptional energy—and a drive to question assumptions and to find better ways to accomplish the mission— characterized COL Caudill's service and distinguished him from his peers.

Resource Management

(Above MACOM) **MAJ Teresa Gardner, USASOC**–MAJ Gardner was instrumental in extensive coordination with 160th SOAR, the Technology Application Program office (TAPO), USSOCOM, and the Army Staff

and became a driving force for the successful completion of the USASOC FY06-11 Program Objective Memorandum (MFP-2 and MFP-1) for Special Operations Aviation. MAJ Gardner is recognized as the resident financial expert in aviation programs, having developed a body of knowledge unparalleled in the command. In recognition of that knowledge, she was assigned as the lead aviation desk officer upon her transfer to the USASCO DCS, Comptroller.

(Below MACOM) **SGT Kevin Leinster, USAREUR**–When notified to deploy to Iraq, SGT Leinster immediately took charge of G8 pre-deployment preparation. He meticulously coordinated and traced $22M of requirements critical to the Division's success for high intensity combat operations. He conducted extensive RM and basic combat skills cross training as well as multiple pre-combat inspections to ensure battlefield RM success. SGT Leinster unfailingly maintained his professional intensity and mission focus through the combat deployment.

Outstanding Intern Award

(Above MACOM) **Ms. Catherine Ingalls, HQDA**–Ms. Ingalls provided expert analysis of Operation and Maintenance, Army (OMA) programs in BA 2 (Mobilization) and justified budget change packages to support them. She performed these duties during the entire absence of the Budget Activity program manager and with no prior training. The quality of her work was outstanding and considered equal to what a seasoned budget professional would produce. Her expertise, hard work, and determination have clearly demonstrated that she is a remarkable intern/trainee that has performed well above

her expected ability. More importantly, she has added a tremendous amount of value to her organization's efforts in support of the Army's mission in this time of war.

(Below MACOM) **Mr. Matthew Chellin, AMC**–Mr. Chellin contributed to the transitioning of the former Research Development and Acquisition Branch into the Investment Appropriations Section of the Matrix/investment Appropriations Branch. This undertaking coupled with a need to closeout the prior Fiscal Year required Mr. Chellin to become familiar with the Investment Appropriations quickly with minimal orientation from the remaining senior analysts. His commitment to learn at accelerated pace and complete assigned tasks were incomparable. In addition he developed a comprehensive briefing on "Ethics in Government" and authored an award-winning essay: "Interdependence Among Government Workers, Military, and Industry."

This year's awards will be presented at "Army Day" as part of the American Society of Military Comptrollers' Professional Development Institute in Salt Lake City, Utah on 31 May – 3 June 2005. Winners are especially encouraged to attend and be formally recognized.

The FY 2005 award program will be formally announced in July 2005 with nominations due to the Comptroller Proponency Office in late October 2005. We look forward to many more nominations.

Again congratulations to this year's winners and congratulations to all who were nominated, a significant accomplishment in itself. You have all demonstrated superior aptitude and outstanding performance. Great job!!!

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Major Andrew Hyatt is a Program/Budget Officer in the Comptroller Proponency Office: Office of the Assistant Secretary of the Army for Financial Management and Comptroller.

Virtual Leadership in a Virtual Private Network Environment

Training With the Industry Participant–KPMG

By Denice Martin

Abstract

It was once said that technology advances once every three to four years; now technology improves everyday. Technological changes are happening so rapidly that it's hard to keep up. Once a world that managed without the Internet, now seems impossible to cope without it.

With the expanding of organizations, leading and sharing information with business partners and telecommuters is a major concern. Using the Internet to allow the availability to manage resources and employees has become popular.

Introduction

When a person thinks of the word "virtual" chances are thoughts of the outer limits start to come to mind. But this world is closer to being a part of a virtual environment than imagined. Virtual leadership is not some wave of the future. It's the way of the 21st century. Technology makes it possible. The mix of communication has shifted from primarily paper based to largely electronic. Technology is merely a tool. With the use of a virtual network, organizations can privately and securely turn to electronic virtual leadership just as easy as in-office leadership. Providing guidance to an office via memorandum, participating in a conference call, video teleconference, fax or email, this is all electronic exposure to virtual leadership. Leadership skills are the key to managing a virtual team, and the leadership skills are different than those needed in the old style of management (The Changing Face of Business, 2003).

The purpose of this paper is to briefly discuss the basics of a virtual private network (VPNs). This will be followed by the definition of virtual leadership and leadership success skills needed to be successful as a virtual leader in a virtual network environment.

Discussion

Networking plays an important role in the development of organizations today. For the continual growth of an organization, constant communication is essential to survival. The vast majority of managers are leading their organizations towards the Internet for their networking needs. Modern information technology and electronic networking can strengthen an organization by allowing its leaders the ability to share information and experiences with strategic allies as well as manage projects and employees over great distances. Electronic networking brings people and organizations together to build and shape partnerships, and a joint plan of action on common interest.

Creating sufficient connectivity and leadership is what an organization is pursuing by acquiring private Internet connections, therefore; when working towards virtual leadership it is helpful that management know the basics of what a virtual private network is and how it works. KPMG is a corporation that uses VPN daily to ensure its personnel receives the proper training, travel arrangements, time and attendance (billing of client hours), and keeping in-touch with corporate happenings. In contrast, Department of the Army uses a form of VPN (Army Knowledge Online) in a global perspective to keep its military and civilians abreast of the latest news within the Department.

Basics of A VPN

Virtual private networking creates secure connections between offices over the Internet allowing organizations to connect to corporate network resources wherever employees are located. VPNs are created by applying security schemes to Internet communications. A virtual network forms on demand through software that establishes a point-to-point session between secure clients. VPNs are not physical, VPN connections are private, controlled interactions into target servers that can be setup, managed, and disconnected at will by either party. VPNs use Internet base routers, switches, digital and analog lines connecting to Internet access circuits providing the organization access. (Bird, 2003).

The most compelling benefit of a VPN solution is that companies of any size can use the Internet to cost-effectively and securely to conduct business operations, meetings, manage employees, and extend the reach of their network resources. VPNs improve joint operations between multiple offices by allowing the sharing of resources and offering continual network communication. Employee performance at branch offices tend to elevate due to the timely accessibility of needed information, which proves to make the business force more productive. KPMG employees work on-site with clients, thus VPN allows an on-going link to the corporate branch offices. Choosing a VPN helps the organization leaders become accessible globally. This enables the leaders to gain and permit access to employees and business partners across the world; therefore allowing more efficient use of network resources.

Managers may supervise offices and/or connections around the world, which all require access to the same resources. It can become quite expensive for companies to supply all of its offices/connections with separate and identical databases and resources. Due to costly networking situations without a VPN established, many leaders are interested in increasing their organization's networks and overall

communication capabilities via a VPN. After understanding what a VPN is a leader can better understand how to use the network to his/her advantage.

Virtual Leadership Defined

What exactly is Virtual Leadership? There are many definitions of virtual leadership two are as follows,

1. Leading others to accomplish results in an environment that is other than physical.
2. Leading teams of people who primarily interact electronically and who may meet face-to-face occasionally.

Virtual leadership is just another way to manage multiple assignments in several different geographical locations, at the same time. According to Val Williams, virtual leadership is "managing direct reports in other geographic locations…leading a team of people who may have never met…. running an organization of dispersed people who are only connected by working on a certain project together."

With the advantage of virtual networks organizations today are definitely managing more with less. It's time-out for those personnel one-on-one meetings and due to the fact that managers can not be here, there, and everywhere, at the same time, virtual leadership is more practical, effective, and fundamentally sound. It takes trained professionals to successfully manage virtual teams. Skilled virtual managers need to apply the same traditional management and leadership techniques that are essential for successfully managing co-located teams such as people skills and consistency.

Leadership Success Skills

Leadership is about making things happen and getting things done, which takes more concentration in a virtual environment. Leaders not only have to understand and master traditional leadership skills, but they also need to identify with and be able to use the information and technologies that support virtual teams. Working effectively in a virtual environment and knowing when to switch back and forth between face-to-

face and virtual environments if and when necessary is yet another important factor. For example: Meeting in the formative stages of a team's life, to resolve conflict, to build trust, to have highly interactive sessions, and to celebrate accomplishments is best done in a face-to-face mode. On the other hand, meeting virtually in routine stages of a team's life can be done without major difficulty. For instance, tracking goals of employees and tracking projects can be on-going at a distance. Just as in traditional leadership, there are many important skills needed to be successful as a leader in a virtual environment also. People skills and consistency are among these important skills needed in both environments.

Effective and successful leaders must be extremely people oriented. They need to create an environment that is conducive to innovation, productivity, and high performance by using human skills, along with technical skills in areas such as scheduling, cost estimating and budgeting, monitoring and controlling, and risk management. As a result, a leader must maintain his or her technical and functional skills at the highest possible level, while enhancing his or her softer skills to meet any unexpected challenges (Virtual Organization, 2003).

Leading with consistency even in a virtual environment will make a leader more respected and trustworthy to his subordinates. Consistency is: reliability or uniformity of successive results or events. A leader cannot always predict what his or her followers will do in face-to-face contact or virtually, but must always be able to predict what he himself will do, say, or think. Employees look for consistent behavior regardless of the geographical location, this tells them what consequence comes with certain behaviors.

Conclusion

The old rules of working no longer apply. Different management strategies coupled with effective use of technologies are essential for success in the virtual environment as a virtual team adds another layer of complexity to the management

environment. The virtual environment is slowly becoming a reality of global networks, and it will only become more prevalent in the future. It represents a dramatic change in how we work on projects, and creates new challenges for all leading professionals.

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The Army's Training Requirements

By Major Michael L. Lewis

The United States of America represent the vehicle of democracy throughout the world. It has served as the enforcer, peacekeeper, and the humanitarian. The Army, Air Force, Navy and Marines are the wheels, which ensures mobility and success. The Soldiers, airmen, sailors, and marines are the spokes within the wheels. Training is the key element for the success. Training along with technology has and must evolve. This evolution identifies certain capabilities and competencies.

As America transitions between the various roles, it is imperative that the Soldiers, airmen, sailors, and marines receive the required training. The Army translates its operational capabilities or core competencies into Army Title 10 functions. These title 10 functions are grouped under the Program Evaluation Group (PEG) structure as Manning, Training, Organizing, Equipping, Sustaining and Installations. The Training Program Evaluation Group is responsible for the overall Army training. *The Training PEG must validate Army training requirements, resource Army training requirements and defend the Army training requirements during the HQDA decrement drills and reviews by Office of Secretary of the Defense (OSD), Office of Management and Budget (OMB) and the Congress in order to ensure Soldiers are ready for the fight.* [2]

The Training PEG must validate the training requirements needed to support the United States Army. The Training PEG is the member of the HQDA staff responsible for collecting, filtering for duplication and determining the training capabilities needed to ensure the fighting force is a trained and ready force. The PEG with the use of Army senior leader priorities coupled with the Army planning and programming guidance validate Management Decision Packet (MDEP) requirements. The MDEP is the packaging of like capabilities for resourcing. The guidance comes from various forms starting with the National Military Strategy (NMS). From the NMS, the Office of the Secretary of Defense (OSD) develops the Defense Planning Guidance (DPG). The DPG provides the Services key planning and programming priorities. The Director of Army Programs, Analysis and Evaluation will use this guidance to issue the Army Program Guidance Memorandum (APGM) and the Technical Guidance Memorandum (TGM). The Army Program Guidance Memorandum links operational capabilities to programming and conveys Army senior leaders intent and guidance regarding acceptable levels of risk. It also translates operational tasks known as core competencies to resource tasks required

for the accomplishment of the Army Title 10 functions. The Technical Guidance Memorandum (TGM) provides specific program guidance on funding; specifies a particular funding level for programs[1]; and uses this guidance to validate Major Army Commands (MACOMs), Program Executive Offices (PEO's) and Program, as well as Project Managers (PMs) program requirements. The Training PEG will accomplish this through the annual Training PEG Management Decision Packet brief. Each MDEP is assigned an MDEP manager. Starting in late fall, the MDEP managers will brief the Training PEG on its related training programs capabilities, and initiatives. The PEG will determine a validated level and a critical level for each of the capabilities within the MDEPs. The PEG will repeat this process for the 109 assigned MDEPs. The critical level equates to the minimum level needed for the capability or program to be mission effective. After the validation process, the Training PEG receives fiscal guidance for resourcing.

The next phase in addressing the operational capabilities and the associated levels of risk is resourcing. With direct responsibility for the functional capability which includes readiness, individual, institutional, and collective training, the Training PEG must prioritize and resource Army training requirements across the FYDP. The resource process is based first on the approved or validated requirement level verses the established Training PEG total obligation authority (TOA) over the POM years. The Office of the Secretary of Defense (OSD) issues each service its TOA in the form of Fiscal Guidance. The Director of Army Programs, Analysis and Evaluation issues the Army Title 10 Program Evaluation Groups their

apportionment. This guidance includes inflation factors and other administrative instructions. (1:no) Next, the PEG will analyze all the guidance documents, force structure decisions, contingencies operation implications and fact of life changes on existing programs and distribute available funding. During this step, a bottom-up requirements prioritization is conducted to aid in the capabilities of resourcing. Keep in mind, unless the capability is new or represent new growth, funding is already apart of the overall funded position (FYDP). This helps the Training PEG accomplish its mission, but it will not resolve all the funding issues.

The PEG's challenge is with resourcing new program initiatives or increases or enhancements to current programs.

This challenge occurs because requirements increase over the years while funding is going down or remaining constant. This is a very important phase within the process. Each element within the Army and all other Department of Defense Agencies have competing priorities. Anytime throughout the requirement life cycle, the resources can be reallocated.

After validating and resourcing training requirements, the Training PEG must defend its program and budget decisions. Funding decisions for particular programs or capabilities can be changed or modified in numerous ways. The two major reasons are Headquarters, Department of the Army decrement drills and program reviews by the Office of Secretary of the Defense (OSD), Office of Management and Budget (OMB), and the Congress reductions. At the Army level, the Directorate for Programs, Analysis Evaluation consolidates all the program and budget decisions from the six Title 10 Programs Evaluation Groups. As

the Army prioritizes all its requirements, the Training PEG must champion and defend its programs from possible funding reallocation or higher prioritized programs. Training PEG training requirements will compete at the Army level for available funding. Without understanding the impact if not funded, the Training PEG could loose needed training dollars. The articulation of the operational capability not being accomplished is the key to protecting the validated requirements along with the funding. During the OSD and OMB review, program growth and the continuation of current programs must be justified. During the budget year when the President's budget goes before Congress, anything that has made it will receive a second look. This is another opportunity for cutting programs and the Training PEG must be ready to continue defending the program.[3]

The Soldiers are key elements of the spoke in the wheel, which support the vehicle of democracy. The United States Army as one of the wheels must have qualified Soldiers and units to accomplish its Title 10 functions and missions. The Training PEG must validate Army training requirements, resource Army training requirements and defend the Army training requirements to ensure Soldiers are ready to fight.

> The Soldiers are key elements of the spoke in the wheel, which support the vehicle of democracy.

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Reconstitution at the Corps Level

By Patricia A. Mitchell

Reconstitution is extraordinary action that commanders plan and implement to restore units to a desired level of combat effectiveness commensurate with mission requirements and available resources. The reconstitution plan takes into account the follow-on mission. (1:1) Through the reset program, all returning units achieve a sufficient level of combat readiness to be able to conduct future missions. (4:no #) The window for reconstitution is 270 days beginning the day the Soldiers' boots hit the ground at home station.

V Corps units redeploying from Iraq are struggling to reconstitute equipment within the 270 day window of the Army's reset program. **In order to improve the process of reconstitution at the Corps level, the Army must provide definitive guidance in a timely manner, resolve conflicting guidance between functional areas, and release the constraints on funding.**

To improve the reconstitution process, the Army must provide definitive guidance in a timely manner. V Corps units deployed to Iraq in February 2003 with an anticipated stay of 179. Later, dates were changed to a one year deployment. Although units were scheduled to redeploy in February 2004, some units began redeploying as early as August 2003. Guidance for reconstitution in FY04 was not received from the major command (MACOM) until 28 January 2004. This delay caused turmoil and frustration for units trying to accomplish tasks required within the 270 day window. Some units were already in their sixth month of reconstitution when higher headquarters guidance was finally published.

In the mean time, conflicting guidance from functional areas surfaced. The time line of 270 days for reconstitution is restrictive in that the process must begin as soon as the unit has returned. The V Corps Commanding General (CG) prioritized units for reset. This list gives a unit a priority for support to complete the reset process. However, the order of units redeploying did not coincide with the Commanding General's priority list. One example of this disconnect is the redeployment of 17th Signal Battalion under the 22d Signal Brigade. The reconstitution process of this unit has been extremely difficult because they returned early and prior to their higher headquarters' redeployment. As a result they were assigned to 5th Signal Command, a tenant unit of Headquarters, United States Army, Europe, for command and control. While 5th Signal Command had responsibility of command and control, V Corps still had financial responsibility. Absolutely no coordination occurred between 5th Signal Command and

V Corps. The 17th Signal Battalion had the mission to reconstitute and the clock was ticking. Since they were not assigned a high priority on the CG priority list, funding was not made available. More problems surfaced when 5th Signal Command gave financial advice without coordination with V Corps. The situation was elevated to general officer levels in desperate attempts to obtain funding. Then and only then did funding come.

Additional problems surfaced when the FY04 funding guidance established thresholds for purchases even if funding were available. The guidance required MACOM approval for supplies purchases above $10K, automation purchases above $25K, and contracts priced above $100K. The process for approval required V Corps staff reviews, Staff Judge Advocate opinion in some cases, and the Chief of Staff approval prior to submission of the request to the MACOM. This approval process further confused and delayed the reset of units, and added an additional burden to commanders trying to meet the goal of the reconstitution timeline.

The Army must release constraints on funding to improve the process of reconstitution and meet the urgent needs of the warfighter. No resources exist solely to perform reconstitution of units participating in contingency operations. Normally, fourth quarter and sometimes even third quarter operational funds are borrowed to fund contingency operations. This puts the Army at risk for continuing annual operations.

Operational funds (OPTEMPO) for FY04 were not allocated until the middle of November 2003 and were distributed with constraints. Until FY04, the funding document did not distribute funding by unit unless funding was earmarked for a specific reason. In addition to the unit distribution, no realignments were authorized between units, and units had to cash flow the efforts of reconstitution. Higher headquarters personnel assume if a unit is deployed offsets (training funds not used when deployed) are growing and are available for reconstitution. However, every unit that is deployed has a rear detachment and requires funding to operate. The FY04 funding letter arrived near the middle of December 2003 but it provided only 4-6 months of funding guidance. Some units had already exceeded the funding guidance issued. FY04 Funding Guidance memo for reconstitution did not arrive until 28 January 2004. Some units were already 6 months into the process of reconstitution, and under the thresholds set in the FY04 guidance for supplies, automation and contracts, some units were already non-compliant with the guidance because of the lateness.

Finally, funds for reconstitution was distributed in February 2004 according to the V Corps Commanding General's reset priority list, and funding was restricted to purchase of repair parts. Reconstitution requires more than just purchasing repair parts. Other supplies and equipment are necessary to reset a unit to an acceptable level of effective readiness. It is impossible to reconstitute a unit as a whole without funding for all requirements.

Resource managers should maintain a constant awareness of the ultimate customer—Soldiers on the front lines. The warfighter is dedicated, makes sacrifices daily to protect their country and it is the Army's duty to ensure their needs are met in a timely manner. Rational and standard procedures must be implemented to support the American armed forces in an effort to prevent unbudgeted contingency operations. The war-fighter's ability to deploy quickly and fight successfully is dependent on an effective readiness. With the continual presence required in other countries, Congress must expedite the process to approve supplemental funding early in the fiscal year to avoid the risk commands must take to support units. Early distribution would prevent cancellations of training exercises that prepare our Soldiers to defend our country. Events of the past years have shown how readiness can erode even when annual defense appropriations are sufficient. The culprit: unbudgeted contingency operations combined with legal and fiscal restrictions on the flexibility to manage costs.

In summary, the Army must provide definitive guidance in a timely manner, resolve conflicting guidance between functional areas, and release the constraints on funding to allow war fighters to accomplish the mission. Lessons learned are no good without learning from them.

> The warfighter is dedicated, makes sacrifices daily to protect their country and it is the Army's duty to ensure their needs are met in a timely manner.

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Ms. Patricia A Mitchell is a graduate of the Professional Military Comptroller School Class 04-C.

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Comptrollership

for the

Afghanistan National Army

By Major Michael Simonelli

The Afghanistan National Army should have an independent comptroller function that is self-supporting, supports the Government and people of Afghanistan, and encourages proper fiscal discipline. These three conditions are critical to the proper functioning of a competent Afghanistan National Army Comptroller and National Army. Only when these three criteria are met will the Afghanistan National Army (ANA) be able to function as a soluble entity.

The Afghanistan National Army should have an independent comptroller function that is self-supporting to the entire Afghanistan National Army and self-supporting to the Afghanistan Army Finance shop. However, the ANA currently does not even have a Finance Office. Because we are building the Army from the ground up, there is no functioning comptroller office. While the Northern Alliance had a finance office, that particular office is not used or sanctioned by the ANA. A finance section must immediately be stood up

that incorporates control functions for all aspects of the Army's funding.

The comptroller function, in order to be self-supporting to the ANA, must also be tied into the newly developed revenue system. The revenue system in Afghanistan is underdeveloped due to 24 years of war. The Afghanistan Minister of Finance, Ashraf Ghani, is implementing a tax and revenue distribution system for their fledgling government. The ANA Comptroller must secure a role in the process in order to ensure ANA requirements are accounted for.

The ANA soldier pay program is the ideal program to target as the first self-supporting function of the ANA. Because pay is so central to the Army, the pay of new troops is an excellent vessel through which to test ANA Comptrollership competence. By handing over pay functions to the Afghan Comptroller, the United States can evaluate the ANA capabilities to manage their own pay system. Starting the self-supporting function through pay will also support the burgeoning Afghanistan treasury system by channeling funds through the new Afghanistan National Bank. This process would serve to boost the banking system and new Afghani currency system, while simultaneously testing the ANA Comptroller's ability to be self-supporting.

The Afghanistan National Army should have an independent comptroller function that supports the Afghanistan Government and the people of Afghanistan in a democractic-like system. The support for the Afghanistan government is the most important function of the ANA. In a national speech, President Karzai stated, "the establishment of a National Afghanistan Army is the most important goal of my administration" (3:1). The interim President prioritized a National Army above all of the other worthy needs of Afghanistan because he strongly believes that terrorists and antagonists within and outside the country are the most pressing dangers to the stability of the country.

The Afghanistan National Development Framework states, "We must create a disciplined force that is the instrument of a legitimate government that represents the aspirations of all the people of Afghanistan" (1:46). Therefore, the Comptroller function must necessarily fund and support those programs that further this goal. As the United States National Military Strategy is nested within the US National Security Strategy, so too should the Afghanistan Army's funding strategy be in support of the new Afghan administration's security goals. All funding decisions should be directly or indirectly tied to the legitimate government and the upcoming elections beginning in June of 2004 (2:16). By supporting the Afghanistan Army through funding decisions, the ANA Comptroller office will help solidify the government's security.

Lastly, the Afghanistan National Army's comptroller function should encourage proper fiscal discipline. Currently, the US controls all Afghanistan National Army funds; therefore, fiscal discipline is easily ensured. However, it is the Americans—not the Afghans—that are overseeing the funds. The challenge is to hand over the process to the Afghans while preventing fraud or abuse. Some of the many challenges to be overcome in order to ensure a fiscally sound Afghanistan Military Comptroller Office are cultural ethics and norms, lack of computer infrastructure and training, and Russian based management styles.

Cultural ethics and norms in Afghanistan business practices vary greatly from United States norms. Afghanistan culture and business ethics are very different from United States business ethics. Afghanistan business practices are inclined to bribes and kickbacks. Kickbacks are such a part of their culture that they have a special word for them-baksheesh. Handing over control of funds to the Afghans could easily result in 10-20% losses.

Afghanistan has no information systems, information system architecture or computer training. Fiscal controls and accountability will therefore have to be manual paper and ledger until computers become integrated into the government. This deficiency is a significant handicap in the 21st century. Even if they did have information systems and infrastructure, most Afghans wouldn't be able to operate them. Lack of information system support will hamper their comptrollership.

The Afghans use Russian based staff management and leadership techniques that are contrary to positive controls. In Afghanistan, senior leaders take special privileges while controlling every decision. Those leaders at the top line their pockets with the goodies of their organization's labor. While taking special perquisites, the leaders do not allow their subordinates to make even the smallest decisions. Therefore, one or two people control every decision which results in a slow, inflexible leadership style.

Developing a professional comptroller organization in the Afghan National Army is a daunting but critical task for the stabilization of the Army and the Afghanistan government. The Afghanistan National Army should have an independent comptroller function that is *self-supporting, supports the Government and National Defense Strategy, and encourages proper fiscal discipline.* These three conditions are critical to the proper functioning of a competent Afghanistan National Army Comptroller and National Army. Only when these three criteria are met will the Afghanistan National Army (ANA) be able to function as a soluble entity.

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About the Author

Major Michael Simonelli is one of four FA45 officers participating in the Training With Industry program, in his case with United States Automobile Association.

The Combatant Commander's Integrated Priority List (IPL) from a Component Perspective

By William J. Tewalt

In the fall of 1984, then Deputy Secretary of Defense (DEPSECDEF) William H. Taft IV, issued a memorandum directing the Departments Geographic Warfighting Commanders (now known as Combatant Commanders (COCOM)) to take a more active role in planning, programming and prioritization of resources within the Department. The DEPSECDEF created, what today is the COCOM Integrated Priority List (IPL)(1:vii,1-2). Ironically in a structure that is heavily laden with regulations, directives and various written policies, there are no regulations that include governance of the IPL or that portion of the programming process. Without a permanent regulatory foundation upon which to base actions, the IPL process is not responsive to the needs of the Department, the COCOM or any Service.

By improving the IPL regulatory guidance process, the services ability to balance COCOM and Component Commander's requirements will be greatly improved. Allow an interactive flexible process to feed the IPL; allow for Component Commanders' to work with top down guidance; and increase the value of the consolidated IPL through a team approach.

The IPL as initiated in 1984 was intended to be a prioritized list of each combatant commander's highest strategic warfighting requirements across Service and functional lines. Each Service is then required to specifically address their support for issues raised in the IPL during development of their Service Program Objective Memorandum (POM). It has been pointed out that "Combatant Commands can exert influence on service POM through the . . . IPL, submitted annually to the Secretary of Defense" (4:no #).

This annual submission of strategic issues actually begins with the Combatant Commanders' Service Component Commands. Each Component Commander is responsible to develop a prioritized list of strategic shortcomings, usually using an internal review that is focused on resource allocations and program reviews (what is needed now?). The unintended result is a backward looking review of current service specific programs and resource levels as opposed to "future" requirements. The value of the IPL using this process must therefore be questioned since Component Commanders and the COCOM vision is based on current DoD programs. This backward look at requirements is reinforced by the simple fact that routinely the first question asked at the service level is "what account(s) are the additional requirements for resources in." The lack of resources notwithstanding, what is really at issue here is the lack of permanent regulatory guidance and standardization pertaining to the development of the IPL. Secretary of Defense Donald Rumsfeld issued the latest in a series of annual instructions via memorandum that revised concepts for the IPL on October 27, 2003. He asked his Combatant Commanders to submit an "IPL that will identify potential capability shortfalls that could limit the ability of your commands to carry out responsibilities identified in the Contingency Planning Guidance. . ." (5:-; 3:-) While identifying capability shortfalls in and of itself is nothing new, the fact that the "new" IPL was to focus on "key capability gaps" in a four-page memorandum without program or resource reviews was.

Changing the focus of the IPL to capabilities statements was not difficult itself. What has been difficult is adapting the IPL to be a visionary tool that reflects future capabilities gaps of the COCOM and each Service, while retaining a joint expeditionary mindset. Lacking regulatory guidance and standardization pertaining to development of the IPL, each Combatant Commander has developed his own process,

panels for review, forms and standards by which to measure success. Permanent detailed guidance and information must be developed and made available for each operational level involved in the capabilities review. Current information management systems, enable the sharing of vital information across the various levels of command. Personnel that are widely dispersed geographically can share information, develop new issues, and collaborate on common issues. The collective application of knowledge and issues will enable COCOM staff to develop a focused meaningful document while emphasizing joint application. The COCOM IPL will be based upon standards developed by National Command Authority, focused on a set of capabilities and collectively evaluated by COCOM staff as well as various aligned Component Commanders.

Using information management capabilities to document regulatory requirements will also articulate direction and priorities desired by National Command Authority. Clear vision statements, capabilities and assessments, as well as operational priorities will be available not only to the COCOM Commander and staff, but also Component Commanders and strategic planning staffs. Each Component Commander has limited influence on actual programming or allocation of resources within the Service. In fact, due to current organizational alignments, several Component Commanders have no direct input to service POM development other than through another service MACOM submission. However, the service component commander is where the "rubber meets the road" and is expected to have the right units available, with the right capabilities, at the right time. In order for each Component Commander to develop his individual road-

map, he must have a clear understanding of operational issues, priorities and a vision of not only his service, but the COCOM as well. Warfighting capability assessments and the value of the IPL will be greatly enhanced when the product produced is based upon DoD, Service and COCOM priorities that are articulated early in the development cycle.

The use of interactive information management coupled with a permanent standardized process to use, and all levels of command and staff knowing the operational priorities will greatly add to the value of the IPL, but a third step is required. The establishment of an integrated IPL team, consisting of both COCOM and component members will also add credibility to capabilities reviewed. Each COCOM should have a team of personnel focused on development of the IPL. The value of a multi component process is the inherent ability to identify capabilities that may not exist within the current structure or issues that impact multiple services.

Using an IPL team allows for combined development of joint critical warfight deficiencies. Within U. S. Joint Forces Command such a process is used informally.

Each component is invited to send a service representative to a weeklong IPL review. During the review each component representative, presents various topics that were independently identified and developed. Those issues that appear to have application across each service and address capability issues of the COCOM are then further developed from a new "joint" perspective. This "joint" process appears to be unique within the COCOMs. While this is a manual versus automated approach, the result is an IPL list that not only

addresses the COCOM issues, but also well represents the services. The development and implementation of standard regulatory process would help to ensure that this procedure becomes normal operating procedure, and not the exception.

The Integrated Priority List is only one of many key documents that are developed as source documents in the Planning, Programming, Budgeting and Execution process. The overall impact of the IPL can be greatly improved with permanent regulatory guidance. The process will then recognize that COCOM requirements are fluid and require an interactive flexible process to feed the IPL. Having permanent regulatory guidance will also validate that priorities are top down driven and would establish top down guidance. The establishment of an integrated IPL team, consisting of both COCOM and component members would increase the joint value of the completed IPL.

Regulatory guidance is the key; adaptive, flexible automated processes with well-established priorities that are "jointly" developed are the enablers.

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> Using information management capabilities to document regulatory requirements will also articulate direction and priorities desired by National Command Authority.

Customer Driven Investment Management: Increasing Return on Investment

by Monika Joglekar and Jay Marwaha

Background

Today, the public sector is more accountable than ever for the efficient and effective use of tax dollars. With an economy recovering from recession, and a constituency focused on getting the most bang for their tax buck, government organizations are being forced to answer tough questions – questions that they've seldom, if ever, asked themselves before. The public wants to understand the benefits it's receiving for government investments, and is demanding that government do more with less. Therefore, the public sector must answer this call and find alternatives to meet constituency demands.

Historically, calls for greater efficiency and effectiveness in government have been met with process improvement initiatives. For the most part, these initiatives have been approached in an ad-hoc manner – meaning that initiatives undertaken by an organization are rarely identified and assessed methodically. Rather, most organizations use the "squeaky wheel" approach. Government will address those issues or problems that are seen as being the most severe or damaging to the organization. This is usually done only from the bottom-up perspective (operation level), or from the top-down perspective (strategic level). By identifying issues solely from the bottom-up or top-down perspective, organizations ignore potential impacts and synergies between operations and strategy. Additionally, the limited use of data and analysis in identifying potential initiatives rarely defines neither the severity nor the impact of the problem or of correcting it.

The historic approach to identifying and undertaking process improvement initiatives is reactive rather than proactive. It doesn't address potential issues that may impact future operations, and leaves unclear the specific benefits of the undertaken initiatives. Organizational changes are made without thoroughly assessing the value proposition for stakeholders and customers. And Agency's rarely calculate and define both the tangible and intangible return on investment (ROI).

Solution

The solution to the approach discussed above is simple – Government can optimize investments by aligning initiatives with both customer satisfaction and the organizational strategy. Although this is a bold statement, it is rooted in two clear facts – 1) customer satisfaction will determine an organization's ROI, and 2) organizations must adhere to strategies established by their leadership. For purposes of this paper, we have defined initiative and investment synonymously.

Why Customer Satisfaction

There are three reasons why customer satisfaction is a primary factor in optimizing an organization's investments - 1) improved operations, 2) public trust, and 3) Presidential Mandates.

Improved Operations:
All improvement initiatives are undertaken with the goal of improving organizational operations. Why? Because increasing organizational efficiency and effectiveness allows for doing more with less. In our case, there is a direct correlation between customer satisfaction and improved operations. Therefore, improved operations equates to an increased ROI. As outlined in the "Comptroller General's Forum (on) High Performing Organizations, February 13,

2004." the most efficient and effective organizations focus on clients and customers.

The report reads: " In summary, there was broad agreement among the forum participants on the key characteristics and capabilities of high-performing organizations, which comprise four themes as follows:

- A clear, well-articulated, and compelling mission . . . .
- Strategic use of partnerships . . . .
- Focus on needs of clients and customers. Serving the needs of clients and customers involves identifying their needs, striving to meet them, measuring performance, and publicly reporting on progress to help assure appropriate transparency and accountability.
- Strategic management of people . . . ."

Public Trust:
Government recognizes the value of increasing the "public's trust in government and making the Federal government more citizen-centered." For the government to operate optimally, the public must have a certain level of trust and faith in its ability to make appropriate decisions. Government also recognizes the link between customer satisfaction and trust. Given this link, measuring customer satisfaction will shed light on how well agencies are performing, and indirectly on the level of public trust instilled in them.

Federal Mandate:
As stipulated in X, "In order to carry out the principles of the National Performance Review, the Federal Government must be customer-driven. The standard of quality for services provided to the public shall be: Customer service equal to the best in business. For the purposes of this order, "customer" shall mean an individual or entity who is directly served by a department or agency. "Best in business" shall mean the highest quality of service delivered to customers by private organizations providing a comparable or analogous service." Given this Mandate, government organizations are held accountable for and measured on customer satisfaction.

Why Organizational Strategy

The primary rationale for using an organization's strategy for optimizing investments is two-fold – 1) it sets future focus, and 2) it establishes leadership direction.

Future Focus:

An organization's strategy establishes the overall vision, mission, goals, and objectives that it hopes to achieve in the next five years. Strategies are externally rather than internally driven. This means that an organization's strategy focuses on increasing stakeholder value. Thus, it should speak to customer wants and needs in some manner, which ties into increasing return on investment through customer satisfaction.

Established Leadership Direction:

Executive Leadership in government changes every few years. The only way that leadership can implement change in any point in time is if they do it quickly and decisively. When new leadership enters an organization, it establishes its vision and direction for the near term. Good leaders will attempt to gain organizational buy-in for the established direction and associated initiatives. But ultimately, leadership not only expects, but mandates, that the vision be carried-out by all employees. By voluntarily following this vision, organizations present a unified front to the public. This will increase stakeholders and customers trust in leadership and government. Greater trust translates to greater customer satisfaction, which equals increased return on investment.

Approach Overview

The Model in Exhibit A depicts our high-level approach to Customer Driven Investment Management. Customer Analysis includes analyzing an organization's customer base in terms of its satisfaction requirements. Investment Analysis follows Customer Analysis, and 1) maps satisfaction requirements with the organization's strategic plan, and 2) determines an optimal investment strategy accordingly.

By undertaking only those initiatives that 1) provide the greatest customer value by addressing wants and needs, and 2) align with the organization's strategy, an organization can ensure optimizing its investments.

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Exhibit A: Customer - Driven Investment Management Model
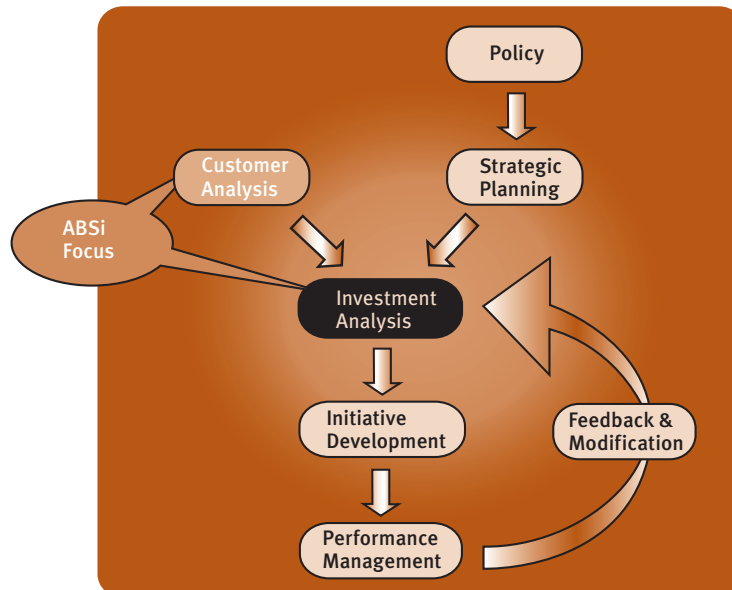
Resource Analyst Technology Literacy

By Gregory Goehring

This short paper is intended to provoke a little thinking, perhaps a little commitment and will likely provoke some controversy between reader audiences. It is intended to be a catalyst to promote forward movement of some basic analyst skills that are badly needed, but often avoided.

The thought goes something like this. A grade school student today will be required to type papers for school using word processing software, build a PowerPoint presentation and may have the opportunity to use a basic spreadsheet or even database. Senior analysts today, in large measure, developed their tool kits at a time when these emerging skills were the responsibility of someone else or not even supported with equipment or software in the work environment. As a result, there is often a gap between the next generation and today's generation of analysts' comfort with basic (or what will become basic) technology skills. Addressing the gap, Resource Analysts and managers of analysts have a choice: we can get onboard with the technology already present (purchased and installed) on our desktop computers or we can wait for today's middle age school children to enter the workforce and become our replacements. The above example is illustrative and not intended to imply that all analysts or managers can't perform these tasks…but there are many that cannot.

Take the following test

1. What is a pivot table?

2. What does ODBC stand for?

3. What does it mean to create a substring or mid-string operation in a database query?

4. What does SQL stand for and who should be responsible for it?

5. How do you run spell check?

6. How do you reference a sheet from a different sheet in an Excel workbook?

7. How do you link an Excel spreadsheet to a PowerPoint chart?

8. How can you reduce the storage requirement of a graphic you want to embed in a chart to reduce that 25MB presentation down to 2MB?

9. How do you manage files on your hard drive, your Outlook .pst files (personal folders) and how can you back them up?

10. How can you import an Excel Spreadsheet into Access or export an Access Table to an Excel Spreadsheet?

11. How do you convert formatted text into useable columns in an Excel spreadsheet so that you don't have to retype information into a spreadsheet to be able to use it?

None of these skills will answer a resource question. By itself, none of these skills will answer questions like (1) how much has been obligated to-date or (2) what is the difference between this year's budget for program xyz and last year's? But fluency in these skills can reduce the administrative time to access, organize and present information so that you can spend more time figuring out 'why' or projecting 'what next' or predicting 'what if'.

What can we do about this gap and how do we begin to close it today?

1. Get rid of fear and blame.

It is not your fault or anyone's that technology has exploded, and, in many cases, after your last intensive full time schooling experience. The classic response to negative stimuli of 'fight or flight' applies. Don't take flight and don't fear what is unfamiliar or uncomfortable…it is within your power to learn new skills…you are an analyst after all.

2. Focus on what is common, most everywhere.

The Army G6/CIO has entered an Enterprise License with Microsoft. While other products will still be available in the Army workplace, you can expect to encounter Microsoft Word, Excel, PowerPoint and Access wherever you go. Master the use of Outlook, your likely email utility. And master the features of Internet Explorer, your most likely avenue to accessing the web and webified applications. So how do you focus on these applications?

a. Buy a book….on each. Look for a book that goes beyond basic to at least intermediate use. Don't attempt to read it cover to cover, but scan through it page-by-page, making mental note, highlighting or dog-earing pages to capabilities and features that you find of interest.

b. Develop a working rapport with other users… most are willing to help others so long as the one asking for help isn't asking to have their work done for them, but rather is interested in learning 'how' to become better.

c. Seek out assistance from experts that become visible. You might consider setting up a mentoring opportunity.

d. One of my favorites…go to the bookstore and select several books to review with the intent that you might buy one. Find a comfortable chair… most chain bookstores now have them in their store…spend a quiet hour looking through several books. Often one author describes a capability in a way that just feels right; whereas, another may cause you to ask, "so what?"

e. Seek out in-house training. I am talking here of training that is geared to your work environment. Usually a subject matter expert who is willing to share.

f. Seek out outside training opportunities. Overviews are good. Rarely do examples of work being completed look or feel anything like what you really have to do at the office, which, is why this one is listed last on this list.
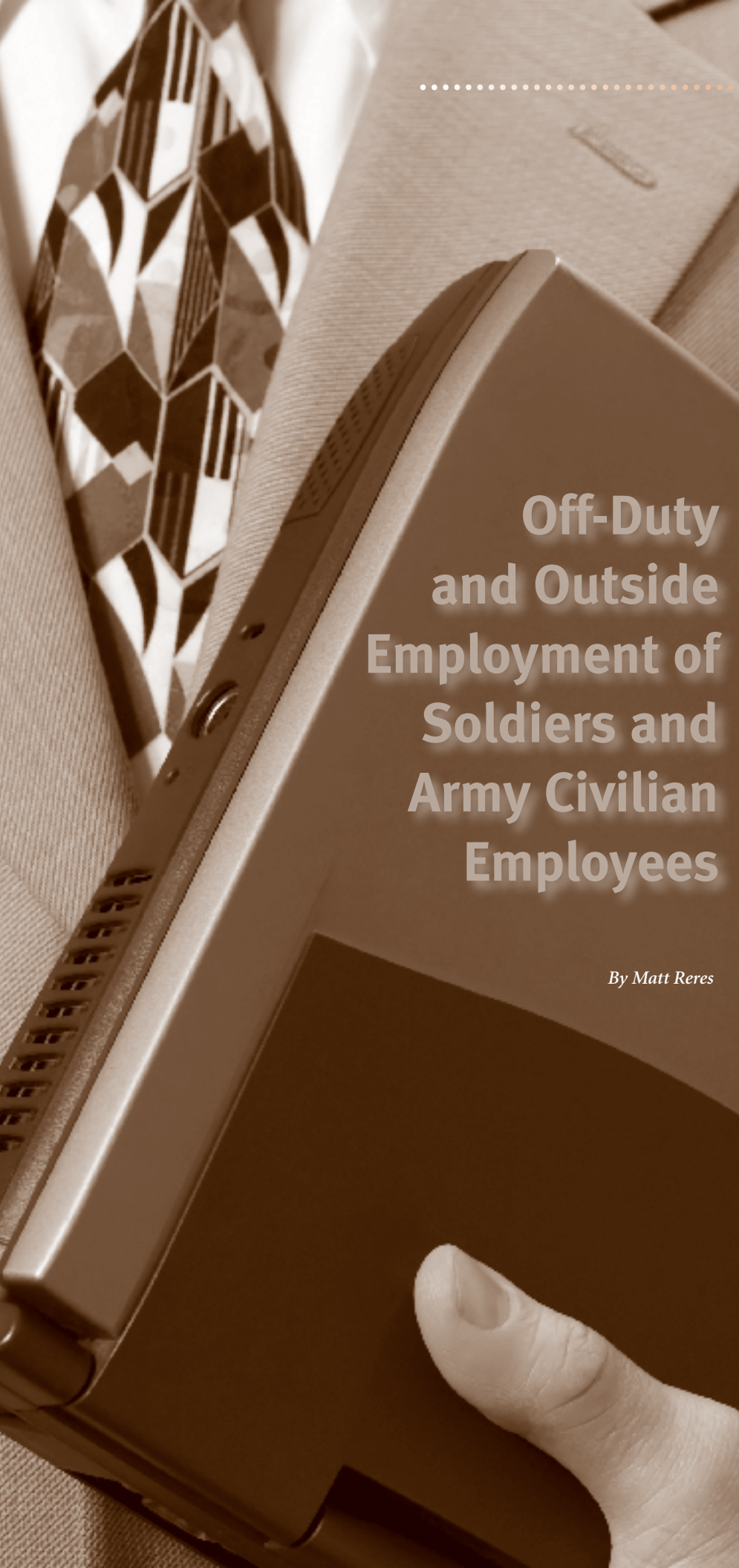
3. Supervisors.

Every performance plan should include a 'critical' task for every analyst to acquire some specific technology skill during the upcoming rating period. You may have to ask for assistance in developing such a task. Don't worry, the analyst who thinks the idea is really bad will in all likelihood thank you once they have learned the technique. I did this in military unit and staff assignments; never had a disgruntled subordinate at the end of the rating period and never had a subordinate fail to achieve the task.

The issue is not whether you agree with my list of possible tasks above. It is not whether you are an astute steward of resources and understand fiscal law, statistics, accounting or auditing. It is not whether you are a great leader or quality manager. The issue is that we need to close the technology gap and that will require intention effort on our part, as analysts and as managers. Yes, there are many systems and they often operate differently, but most basic skills, such as understanding how to develop a query using Standard Query Language (SQL) are transferable. Once you learn the basics, you can apply that knowledge in many disparate systems and become proficient at a much faster pace and experience less frustration getting there. The capital investment in basic PCs, software and support must exceed a half billion dollars per year. Much of those enormous resources only provide marginal benefit until we step up the human capital investment in using these tremendous assets.

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Employees shall not engage in outside employment or activities, including seeking or negotiating for employment, that conflict with official Government duties and responsibilities.

Off-Duty and Outside Employment of Soldiers and Army Civilian Employees

By Matt Reres

The 10th Principle of Ethical Conduct

The general rule is that Soldiers and Army civilian employees are prohibited from engaging in outside employment that conflicts with their official duties-- especially if the conflict of interest would require an employee's disqualification from participating in a matter critical to his official position. 5 Code of Federal Regulations 2635.802 (hereinafter CFR). Even in those circumstances when outside employment may present no conflict with one's official duties, financial disclosure filers must nevertheless obtain prior approval from their "Agency Designee" prior to working for a prohibited source. 5 CFR 2635.803, Joint Ethics Regulation 2-206 and 3-306 (hereinafter JER). An Agency Designee is generally defined as the first supervisor who is a commissioned military officer or a civilian above GS/GM-11 in the chain of command or supervision of the DoD employee concerned. Except in remote locations, the Agency Designee may act only after consultation with his local Ethics Counselor. JER 1-102.

Moonlighting in a second government position.

Soldiers are prohibited from accepting compensation for holding another Federal position. Conversely, Army civilian employees may hold separate and distinct federal positions at the same time. 5 United States Code (hereinafter USC) 5536, Matter of Ms. Silvia Klimicek and Major Edgar Terrazas,

Comp. Gen. Dec. B-251541, July 21, 1993. In addition, the government is prohibited from awarding contracts to federal civilian employees, or to businesses owned or controlled by federal civilian employees, unless the requirements of the federal government are unable to be met otherwise. 48 CFR 3.610, JER 5-402.

Moonlighting in non-governmental positions.

Soldiers and Army civilian employees must refuse outside employment that interferes with the performance of their duties. 10 U.S.C 973a. Moreover, for certain non-career employees, the amount of outside earned income is limited to $181,815.00, based upon a formula that the employee is prohibited from exceeding 15 percent of the annual basic pay for level II of the Executive Schedule (currently $158,100). 5 USC 501, 502, 5313, 5 CFR 2636, subpart C. Moreover, the Constitution (Art I, Sec 9, clause 8) prohibits Soldiers and Army civilian employees from accepting employment from a foreign government without the consent of Congress. This prohibition even applies to reserve and retired Soldiers under most circumstances. 37 USC 908.

Working as an employee of a company or organization.

18 USC 208 is a Federal criminal conflict-of-interest law. This section implicitly provides that if a commissioned Soldier or an Army civilian employee is participating personally and substantially, as part of his official duties, in a particular government matter (such as a contract or source selection), the commissioned Soldier or Army civilian employee is prohibited from working as an employee of a company or organization that has a financial interest in that matter. Although Section 208 is inapplicable to enlisted Soldiers, there is nevertheless a similar provision that

applies to enlisted Soldiers at JER 5-301. For example, under this rule, if an Army employee is participating personally and substantially, on behalf of the Army, in a source selection, the employee is prohibited from working as a part-time employee of any company or organization that has a financial interest in the source selection (such as a bidder or potential bidder).

Working as a consultant of a company or organization.

The ethics regulation that applies to Executive Branch employees (5 CFR Part 2635) contains a provision (5 CFR 2635.502) regarding working as a consultant. The regulation provides that:

A if an Army employee will participate in a particular Army matter (such as an awarded contract or a source selection for a new contract), and

B the employee knows that a person, company or organization with whom she has (or seeks to have) a business, contractual or other financial relationship (other than a routine consumer transaction) will be a party to the matter, and

C the employee determines that the circumstances would cause a reasonable person with knowledge of the relevant facts to question her impartiality regarding the matter,

then the employee should avoid participating in the matter, unless he has informed his supervisor of the appearance problem and has received authorization from the supervisor to participate in the matter. 5 CFR 2635.502(a). This rule applies to commissioned Soldiers and enlisted Soldiers, as well as Army civilian employees. When the supervisor receives information from the employee about the appearance issue, the supervisor must undertake a balancing test. If the supervisor determines that the Army's need to have the employee participate in the matter outweighs the appearance problems that would result from the employee participating in the matter, then the supervisor may authorize

the employee to participate in the matter. 5 CFR 2635.502(d). When the supervisor makes this determination, the supervisor should consider the six factors listed at 5 CFR 2635.502(d):

1 The nature of the relationship involved;

2 The effect that resolution of the matter would have upon the financial interests of the person involved in the relationship;

3 The nature and importance of the employee's role in the matter, including the extent to which the employee is called upon to exercise discretion in the matter;

4 The sensitivity of the matter;

5 The difficulty of reassigning the matter to another employee; and

6 Adjustments that may be made in the employee's duties that would reduce of eliminate the likelihood that a reasonable person would question the employee's impartiality.

Within the Army, the supervisor who makes this determination must be a commissioned military officer or a civilian GS-12 or above. Ethics Counselors make this determination for political appointees, senior executives, and general officers. JER 1-202.

In summary, this rule provides that if an Army employee is working on a particular Army matter, and a company is a party to the matter, the employee must never have any type of business relationship with the company (including working as a consultant), unless the employee has informed his supervisor of this situation, and the supervisor has determined that the need for the employee to work on the Army matter outweighs the appearance problems that would result from the employee simultaneously working on the Army matter and having an outside business relationship with the company.

Nevertheless, it is often difficult to establish a clear line between

Representing entities before a Federal agency.

Commissioned military officers and Federal civilian employees are generally prohibited from representing individuals, companies and non-Federal organizations before any Federal agency. 18 USC 203 & 205; JER 5-401 & 5-403. This rule even applies to military officers who are on terminal leave and civilian employees who are on annual leave. The rule is inapplicable to enlisted Soldiers. See 18 USC 202(a). Despite these restrictions, some types of representation are permitted. The Department of Justice has issued an opinion that interprets the representation statutes (18 USC 203 & 205). [Department of Justice Memorandum, Application of Federal Conflict-of-Interest Statutes to Federal Employees' Working With or For Non-Federal Entities That Do Business with the United States, January 27, 1994 (hereinafter referred to as the "DOJ memo")] The DOJ memo provides the following guidance on what activities will violate the ban on representation.

Examples of prohibited "representational-type activities" include:

1 signing agreements with the Department or any other federal agency;

2 signing reports, memoranda, grant or other applications, letters, or other materials (beyond the mere exchange of purely factual information or the expression of a wholly routine request not involving a potential controversy) intended for submission to any federal agency or tribunal;

3 signing tax returns for submission to the Internal Revenue Service; and

4 arguing or speaking (in the sense of urging, advocating, or intending to influence) to any other federal employee who is acting in his official capacity or before any federal agency or tribunal for or against the taking or non-taking of any action by the United States in connection with any matter involving the non-federal entity and the United States. [DOJ memo, page 10, footnote. 55 (emphasis in original)].

The DOJ memo provides the following guidance on what activities will avoid violating the ban on representation.

18 USC 205(a)(2) does permit communications on behalf of a non-federal entity that are entirely ministerial in nature. Some examples of such communications might be:

1 conveying purely factual information;

2 delivering or receiving materials or documents;

3 answering (without advocating for a particular position) direct requests for information;

4 making wholly-routine requests that are absent any potential for controversy, dispute, or divergence of views between the agency and the non-federal entity (such as a request to use a meeting room); or

5 signing a document that attests to the existence or non-existence of a given fact (such as a corporate secretary's attestation that a given signature is valid or that a given person is authorized to bind or sign for the non-federal entity). DOJ memo, page 10, footnote. 58 (emphasis in original).

communications that violate the representation ban and those that are in harmony with this rule. Because the representation statutes are criminal statutes, a mistake in judgment whether certain actions are permissible can result in a criminal prosecution of the employee. For this reason, the prudent course is to avoid in one's off-duty employment representation of persons, companies and non-Federal organizations before a Federal agency. This is particularly true where there are other individuals (i.e., non-Army employees) who can represent the person, company, or non-Federal organization before the agency.

Non-public information.

Executive Branch employees may never disclose "non-public information" to further the private interests of any individual, company or organization. 5 CFR 2635.703(a). "Non-public information" means information that the employee gains by reason of Federal employment and that he knows (or reasonably should know) is unavailable to the general public. 5 CFR 2635.703(b).

Contractor advisory boards.

DoD employees may never serve, in their official capacity, on an advisory board or advisory committee for a defense contractor. Employees who intend to serve as an advisor to a defense contractor in their personal capacity should follow the guidance on this subject in the DoD General Counsel memo dated 7 May 99.

Teaching, Speaking and Writing.

Federal employees and service members may generally accept compensation for teaching, speaking and writing. However, to prevent an employee from selling to others what the government already pays him to do, federal employees should refuse compensation for teaching, speaking and writing when:

- the activity is undertaken as part of the employee's official duties; or
- the invitation was extended based on the employee's official position, rather than his expertise; or
- the invitation is from a person whose interests may be influenced by the employee's official duties; or
- the presentation is based on non-public information; or
- the topic deals with the employee's current duties or those during the previous year (note that this does not prohibit employees from accepting compensation for teaching, speaking or writing on matters within the employee's discipline or expertise, based on education or experience, including teaching courses); or
- the topic deals with a policy, program or operation of the employee's agency.

Disclaimers.

Federal employees who write or speak outside their official duties, and who permit the use of their military or civilian rank, position, or title in identifying themselves, must use a disclaimer--no exceptions exist in the regulations. There is no verbatim disclaimer that must be used, but the disclaimer must expressly state that "the views presented are those of the speaker or author and do not necessarily represent the views of DoD or its components." Additionally, for matters in print, the disclaimer must be printed in a reasonably prominent position in the writing itself. For speeches, the disclaimer may be stated verbally, but must be at the beginning of the speech. JER 2-207.

Representing entities before a Federal agency.

Commissioned military officers and Federal civilian employees are generally prohibited from representing individuals, companies and non-Federal organizations before any Federal agency. 18 USC 203 & 205; JER 5-401 & 5-403. This rule even applies to military officers who are on terminal leave and civilian employees who are on annual leave. The rule does not apply to enlisted military personnel. 18 USC 202(a).

Working for a Foreign Government.

The United States Constitution and other legal authorities address issues involving foreign Governments: Conditions of Foreign Government Employment. Article I, Section 9, Clause 8, of the Constitution of the United States reads:

No title of nobility shall be granted by the United States and no person holding any office of profit or trust under them, shall, without the consent of the Congress, accept any present, emolument, office, or title, of any kind whatever, from any king, prince, or foreign state.

Foreign Government employment is defined as any civil employment with a foreign Government agency

> " Each of us who has the honor of serving America as either a Soldier or an Army civilian employee has raised his/her hand and given a solemn oath to uphold and defend the Constitution and the laws of the United States. "

or instrumentality whether or not compensation is received. This restriction also extends to educational or commercial institutions owned, operated, or controlled by a foreign Government. Eligible individuals must receive the joint approval of the Secretary of the Army and Secretary of State to be employed by foreign Governments. The general rule is: Active duty Soldiers, National Guard Soldiers, and United States Army Reserve Soldiers of the Ready Reserve are ineligible for employment by foreign Governments. There are also restrictions on Federal civilian employees working part-time for a foreign Government (or a company or institution that is owned or controlled by a foreign Government). These rules are beyond the scope of this paper. See your servicing ethics counselor for guidance on this subject.

General/Flag Officers.

General/Flag Officers are prohibited from receiving compensation for serving as an officer or member of the board of any non-Federal entity (other than professional associations and closely-held family entities). The applicable Service Secretary must approve compensated service in the management of closely held family entities or professional associations. DepSecDef Ltr, 23 Jul 96.

Prior approval.

DoD employees are required to obtain prior written approval of off-duty employment if (A) they are required to file a financial disclosure report (i.e., SF 278 or OGE Form 450) and (B) they will be working for a "prohibited source" (such as a DoD or Army contractor). JER 2-206a. Off-duty employment includes employment by Soldiers while on terminal leave and employment by civilian employees while on annual leave. Within DoD, there are three reasons why off-duty may be disapproved.

A It would violate a statute or regulation(JER 2-206a).

B It would detract from readiness (JER 2-303a).

C It would pose a security risk (JER 2-303a).

Army personnel should always obtain approval for off-duty employment. The general rule is that all personnel must obtain prior written approval of off-duty employment (including self-employment).

Sharing in compensation for representational services performed by another.

If your off-duty employment involves your receiving part of the compensation that is earned when another person (such as a partner or associate) represents someone before a Federal agency, your receiving part of that compensation may violate 18 USC 203, which is a Federal criminal conflict-of-interest statute. For guidance on this rule, see Office of Army Ethics DAEO-Gram DO-99-049, dated December 22, 1999.

Reporting off-duty employment on your financial disclosure form.

General/Flag Officers, SES employees, and SES-equivalent employees must file the Public Financial Disclosure Report (SF 278) within 30 days after becoming a General/Flag Officer, an SES employee or an SES-equivalent employee. They must also file the form each year by May 15 and within 30 days after leaving Federal service. JER 7-203. The Confidential Financial Disclosure Report (OGE Form 450) must be filed by Colonels, GS-15s and below whose position involves decision-making or the exercise of significant judgment in contracting or procurement. JER 7-300. The OGE Form 450 must be filed within 30 days after entering such a position and each year by November 30. JER 7-303. If you are required to file the SF 278 or the OGE Form 450, you must report on the form the outside positions you hold with any company or other non-Federal organization, including such positions as officer, director, trustee, general partner, representative, employee and consultant. 5 CFR 2634.307. You should remember that if you file a financial disclosure form, you are required to report your off-duty employment positions on the form.

Each of us who has the honor of serving America as either a Soldier or an Army civilian employee has raised his/her hand and given a solemn oath to uphold and defend the Constitution and the laws of the United States. Part of the fabric of laws that we have given our oath to uphold includes the 14 Ethics Principles that apply to each of us who serves in the Executive Branch. We should remind ourselves daily that public service is a public trust that requires us to place our loyalty to the Constitution, the laws, and ethics principles above our own private gain.

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About the Author:

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Acceptance Speeches

2004 Leonard F. Keenan Award Winner

By John Argodale

Deputy Assistant Secretary of the Army for Financial Operations

Office of the Assistant Secretary of the Army, for Financial Management and Comptroller

I want to recognize Mr. Gregory, Dean Berman, Colonel Berg, distinguished faculty, administrators, graduates, students, family and friends.

It is a high honor and privilege to receive the 2004 Leonard F. Keenan award. I want to thank the Army Financial Management and Syracuse School of Management leadership for this honor. The award embodies the personal and professional characteristics of Mr. Keenan, an individual renowned for his emphasis of professionalism and excellence in all aspects of financial management. I am truly honored and humbled to receive this award.

Before I begin I want to recognize Mr. Ernest Gregory, a fellow Syracuse University Graduate who will be retiring this fall from a distinguished career in service to the Army. Mr. Gregory is the personification of Army comptrollership. He is a role model and mentor to me and all of those fortunate to serve under his leadership. His presence will be missed, but his influence and imprint on our profession will remain long into the future.

Today is not about Mr. Gregory or me; it's about you, the Syracuse University Army Comptrollership Graduates in the class of 2004. Each of you have distinguished yourself through selection and completion of this program. You will be called on by our great nation to meet the Army's many challenges. Most significantly to fight and win the global war on terrorism and transform the Army to a lethal, modular, joint and expeditionary force.

When I graduated in 1993, the Army was transitioning from its outstanding accomplishments of the Gulf War to meeting the challenges of peacekeeping missions in places such as Bosnia, Kosovo, and Somalia. The challenges that our nation, our Army, and you face today are greater than those of 1993, and require your dedication, professionalism, and excellence in resource management.

The Army consists of nearly 1.3 million active, guard, and reserve Soldiers, civilians, and their families. As comptrollers, we must treat every Soldier, civilian, and family member as a customer. We must ensure that each member of the Army family is properly trained, equipped, housed, fed, and paid, in order for each of them to excel in their service to the American people.

The Army's base budget is about $94 billion annually, and eclipsed $130 billion in fiscal years 03 and 04. In addition to taking care of Soldiers, civilians, and family members, we also have a fiduciary responsibility to the citizens of this great nation and their elected representatives in the management of the Army's budget. As comptrollers we must perform our jobs with the highest levels of ethics and integrity, and exercise sound stewardship practices in the management of these public resources.

As members of the Army team we understand the Army Values (Loyalty, Duty, Respect, Selfless-Service, Honor, Integrity, and Personal Courage). As Syracuse University Graduates of the Army Comptrollership Program you have received a world-class education in business and public administration theories, principles, and concepts with Defense and Army resource management processes and practices.

As you report to your follow-on assignments, it is important that you combine the Army Values with your world-class Syracuse University education to deliver to our Army, our customers, and the citizens of this great nation first class comptroller service.

You are all the best. Thank you and good luck to you and your families.

2004 Lieutenant General James F. McCall Award Recipient

By Colonel (R) Burt Tulkki

Chief, Planning and Programming

Installation Management Agency

Dean Burman, Dean Bobrowski, Mr. Gregory, Mr. Argodale, Colonel Berg, Distinguished Faculty, 2004 ACP Graduates and their family and friends. I am honored to be this year's recipient of the James F. McCall award 24 years after sitting in this same chapel on my graduation day. That day I started my career as a resource manager. I have never regretted the decision I made to become an Army Comptroller. My wife and I have always looked back very fondly at the 15 months we spent here in Syracuse.

I was associated with General McCall over the years, first as an action officer in the Pentagon observing his work, as Comptroller of the Army, and then working with him as he served in his capacity with ASMC. I am humbled to be recognized as he was always a model for resource managers and am honored to receive this award named after him.

I want to congratulate you all on a job well done. Attending the awards banquet last night, I noticed the class graduated with an A average, a noteworthy academic honor. You should be proud of this accomplishment. You may not see it as important now but down the road when your children are asking about college and honors received; you will not have to say what I had to tell them. I would say some study very hard and graduated Magma Cum Laude, some graduated Summa Cum Laude, but many like your dad graduated "thank you, Laude."

There are a couple of things I would like to pass on to with you. The first is you as a role model. You have just completed one of the Army's truly "good deals." You were selected because of your past performance, but more importantly, your potential to contribute to resource management in the Army. Late in my career, a senior Army officer mentioned to me he had never seen an ACP graduate who wasn't "top notch". This is a great compliment for the graduates of this program, but it is also a responsibility to live up to that legacy. Very shortly, you will be asked to contribute and will be given large responsibilities. Major Jerry Skaw, a graduate one year ago, is now responsible in our office to manage our several billion-dollar program that funds our contributions to Globe War on Terrorism and Army Transformation. Not an easy job, but one for which he is well prepared. You have the tools to be successful and it is up to you, as those graduates, who preceded you, to seek out and to make significant contributions.

Second, do not be afraid of change. The Army right now is going through the most rapid and profound transformation I have ever experienced. I was told the same thing when I graduated. It was true then and more true now, our change continues at an even more rapid rate. When I started in the resource management business, we used accounting ledgers and pencils and received accounting reports twice a month, and I verified every TDY order in the First Armored Division. Now everything is done on a PC, we have data warehousing and can get almost real time accounting data. This is all good and is needed to allow us to be resource managers to support the expeditionary Army of the future. You are the future. Observe how things are being done, and come up with way to do things better. We need you as visionaries to improve resource management in the future.

Finally, just "do what is right." You will know what is the right thing to do and resource managers must do it. Go with your values not your personal aspirations; always support the troops you will not go wrong. This may bring you in conflict with those want to get things done any way possible. You have to hold your ground, but be an enabler to others to get their job done. You can be seen as a roadblock or as an enabler. Be an enabler but "do what is right."

Thank you again, congratulations and I look forward to working with many of you in the future.

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